

Exhibit C

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ORACLE AMERICA, INC.,)
Plaintiff,)
vs.) No. CV 10-03561 WHA
GOOGLE, INC.,)
Defendant.)
_____)

-- ATTORNEYS' EYES ONLY --

Videotaped deposition of ADITYA KUMAR AGARWAL,
taken at the law offices of King & Spalding LLP,
333 Twin Dolphin Drive, Redwood Shores,
California, commencing at 9:31 a.m.,
Friday, April 8, 2011, before Leslie Rockwood,
RPR, CSR No. 3462.

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1 sell Nexus One anymore.

2 Q. Do you sell -- is there anything that exists
3 in the hardware revenue category at the moment for
4 Android?

5 A. If you look at historicals, yes. 10:13:22

6 Q. Could you explain what is included in the
7 hardware revenue category?

8 A. Sales of Nexus One.

9 Q. That is all?

10 A. Yes. 10:13:33

11 Q. So when Nexus One was discontinued, there was
12 no longer any hardware revenue for Android?

13 A. Yes.

14 Q. That was where I was trying to get to.

15 A. Thank you. 10:13:43

16 Q. It wasn't so hard.

17 Does Google keep track of its profits per
18 Android phone?

19 A. No, I don't recall.

20 Q. You don't recall -- 10:14:12

21 A. Uh-huh.

22 Q. -- whether Google keeps track of its profits
23 for Android phones?

24 A. Uh-huh.

25 Q. Do you recall whether Google keeps track of 10:14:20

1 its profits on other mobile devices?

2 A. I don't know.

3 Q. Now, when you say you don't recall, are you
4 saying you don't remember or you don't know?

5 A. I don't recall if I have done it or any other 10:14:36
6 person has done it.

7 Q. What documents or databases would I need to
8 look at to identify total revenues for Android?

9 A. The documents that have already been
10 generated as part of -- as part of this deposition. The 10:14:59
11 P&L, for example.

12 Q. So I'd look at the P&L. Are there any other
13 documents that I would look at?

14 A. No.

15 Q. No? 10:15:09

16 A. Yeah, no.

17 Q. If I wanted to find the forecast for the
18 business, what would I look at?

19 A. Same. It's part of the P&L.

20 Q. It's part of the P&L. 10:15:26

21 It's not separately generate in any other
22 way?

23 A. It's part of the P&L.

24 Q. If I wanted to find the budget for Android,
25 what would I look at? 10:15:36

Attorneys' Eyes Only

1 A. It's part of the P&L.

2 Q. So everything is in the P&L?

3 A. Yes.

4 Q. Is there something called a P&L archive?

5 A. I don't recall that. 10:16:20

6 Q. Well, let's mark as Exhibit 16 -- okay. Hold
7 on a second.

8 MS. RUTHERFORD: I can't tell if -- these are
9 just loose copies. I can't tell where one ends and one
10 begins. 10:16:47

11 Q. While he's doing that, P&L stands for profit
12 and loss; correct?

13 A. Yes.

14 Q. Could you also explain what DTC stands for?

15 A. Direct to consumer. 10:17:04

16 Q. Other than Nexus One, did you have any direct
17 to consumer products?

18 A. No.

19 MS. RUTHERFORD: We're marking as Exhibit 16
20 a document with the heading "P&L Archives," Bates 10:17:24
21 Number -- starting with GOOGLE-0003945 to 949.

22 (Exhibit 16 marked.)

23 Q. BY MS. RUTHERFORD: Now that you have this
24 document in front of you, do you recall what a P&L
25 archive is? 10:18:02

1 A. Yes.

2 Q. What is it?

3 A. Archives of P&L.

4 Q. Is it a website that Google maintains with

5 the profit and loss statements in it? 10:18:12

6 A. It's a website that Android finance
7 maintains.

8 Q. And is it your job, among others, to post the
9 profit and loss statements to the P&L archives?

10 A. I have done so in the past. 10:18:29

11 Q. In fact, on Exhibit 16, it says that you
12 posted this particular item; correct?

13 A. I posted it on November 2nd, 2009.

14 Q. How often is the P&L archives updated?

15 A. Well, as you can see, this is -- hasn't -- 10:18:55
16 nothing has been put in here 2010, 2011. So we don't
17 manage this page anymore.

18 Q. You don't manage the page. When you say
19 "we," are you referring to Android finance?

20 A. That's right. 10:19:09

21 Q. Who manages the page?

22 A. Android finance.

23 Q. Well, you just said, "We don't manage this
24 page anymore," so --

25 A. We don't update this page anymore. 10:19:20

1 Q. So the archives are dormant; correct?

2 A. Archives are dormant.

3 Q. No one maintains it currently?

4 A. No one updates it currently.

5 Q. So how do you maintain your profit and loss 10:19:32
6 statements for Android?

7 A. It's also part of our website, not part of
8 the P&L archive section. And that document has already
9 been generated.

10 Q. So there's a separate Android finance website 10:19:50
11 in which you maintain the profit and loss statements?

12 A. Not a separate website. A certain section of
13 the website.

14 Q. Okay. There's a separate Android finance
15 section of a website in which the profit and loss 10:20:04
16 statements are maintained?

17 A. Separate section within the Android finance
18 website where P&L is currently updated.

19 Q. Now, this Android finance website, what else
20 is maintained on that website? 10:20:23

21 A. Anything to do with Android finance. It
22 could be budgets, P&L, or any other document that we have
23 to share between our Android finance team related to --
24 related to budgets and planning.

25 Q. How often are profit and loss statements 10:20:49

1 generated by Android finance?

2 A. Once a quarter.

3 Q. How often -- how frequently are projections
4 generated by Android finance?

5 A. Same. 10:21:04

6 Q. Is that the same for budgets? Once a
7 quarter?

8 A. Yes.

9 Q. Are you familiar with something called the
10 Android dashboards? 10:21:21

11 A. I don't recall, no.

12 MS. RUTHERFORD: I'd like to mark as Exhibit
13 17 GOOGLE-00395895 to 896.

14 (Exhibit 17 marked.)

15 Q. BY MS. RUTHERFORD: Are you familiar with 10:21:46
16 this document, which appears to be a printout from a web
17 page that lists all Android dashboards?

18 A. I'm familiar with this page, yes.

19 Q. And who maintains this page?

20 A. Android finance team. 10:22:18

21 Q. Is this where I would go to find the most
22 up-to-date information on ads revenue and Android
23 devices?

24 A. You would refer to the P&L.

25 Q. If I wanted to find out what the 2010 10:22:36

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1 planning was for Android, would I refer to the Android
2 dashboards?

3 A. When you say "2010 planning," you mean
4 specifically 2010 Android head count apps?

5 Q. Okay. Let's start with that. 10:22:58

6 The 2010 Android head count apps, is this the
7 place I would go to find it?

8 A. For looking at Android head count apps 2010,
9 yes.

10 Q. Is there another place I would also go to 10:23:11
11 find any other 2010 planning data that I was looking for?

12 A. You will find it as part of P&L.

13 Q. So the next line down from 2010 planning is
14 P&L. But it only says P&L head count and gives a link.
15 Is there -- I would have to go to a separate page to find 10:23:30
16 the actual P&L?

17 A. No. This is -- you will still find all head
18 count related expenses as part of our P&L -- Android P&L.

19 Q. I understand. The question was, if I wanted
20 something other than head count, would I have to go to a 10:23:48
21 separate page?

22 A. No.

23 Q. No.

24 I could get there through this link on this
25 page? 10:24:00

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1 A. Sorry. Can you repeat that?

2 Q. Sticking with this document, Exhibit 17 --

3 A. Uh-huh.

4 Q. -- there's a listing -- a heading that says

5 P&L. 10:24:11

6 A. Uh-huh.

7 Q. And then the only document linked to the
8 Android dashboard is P&L head count. Would I have to go
9 to a separate page to find the rest of the profit and
10 loss statement that -- 10:24:23

11 A. You will find all items on the P&L as part of
12 the Android P&L.

13 Q. I understand that.

14 Where would I go to find the Android P&L?

15 A. It's part of -- part of our website. It's 10:24:36
16 part of the main page of our website, actually.

17 Q. The main page of the Android finance website?

18 A. That's right.

19 Q. Who else contributes, other than you, to the
20 Android finance website? 10:24:48

21 A. Android finance team, me and Nicole Dalton.

22 Q. That is it?

23 A. Yes.

24 Q. In the past, has there been anyone else who
25 contributes to that page? 10:24:58

1 A. I don't recall.

2 Q. How far back does the data on the Android
3 web -- finance website go?

4 A. I don't recall.

5 Q. You don't recall. 10:25:20

6 Is there data from 2008 on the Android
7 finance page?

8 A. I don't recall.

9 Q. Is there data from 2009 on the Android
10 finance page? 10:25:34

11 A. Yes, there is.

12 Q. Is there data from 2007 on the Android
13 finance page?

14 A. I don't recall that far back.

15 Q. The court reporter's going to hand you what's 10:25:56
16 marked as Exhibit 18. It also appears to be a printout
17 from the homepage of a website. And it's -- but the top
18 line says, "Home. This site is your portal to all work
19 done/supported by the Android finance team."

20 (Exhibit 18 marked.) 10:26:19

21 Q. BY MS. RUTHERFORD: Staying with the first
22 page of the document for a moment, could you explain what
23 the quarterly OC Presos are?

24 A. I don't see anything as quarterly OC presses.

25 Q. Right under the first sentence of the 10:26:41

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1 document.

2 A. You mean quarterly OC reviews?

3 Q. No. It actually says, "Quarterly OC Presos."

4 MS. RUTHERFORD: Does he have the same --

5 THE WITNESS: Oh, Presos. Oh, yes. 10:26:56

6 Q. BY MS. RUTHERFORD: So could you explain what
7 that is?

8 A. We have a quarterly meeting with our
9 management committee called OC. And this website
10 contains representations from those quarterly sessions as 10:27:12
11 well.

12 Q. What does OC stand for?

13 A. Operating committee.

14 Q. It's the operating -- is that the operating
15 committee for Android? 10:27:23

16 A. I don't know if this is different for Android
17 versus other Google.

18 Q. You don't know whether those two are
19 distinct?

20 A. Yes. I don't know. 10:27:34

21 Q. Okay. The next bullet is, "Weekly ad revenue
22 dashboards." Could you explain what that is?

23 A. This is something we did in the past. We
24 used to have weekly dashboards on ads revenues.

25 Q. What is a dashboard? 10:27:53

1 A. Telling about -- telling about the weekly
2 status of what our ads revenues are looking like. What
3 our ads revenues are looking like.

4 Q. And then the next bullet is, "Monthly Android
5 P&L." 10:28:14

6 A. Uh-huh.

7 Q. So does Android update its profit and loss
8 statements monthly?

9 A. Only quarterly. But the P&L is broken down
10 into months. 10:28:23

11 Q. Okay.

12 MS. RUTHERFORD: I don't believe we've ever
13 seen a monthly version of the P&L. So if those have not
14 been produced, we'd ask that you produce them at this
15 time.

16 Q. The next bullet is --

17 MR. BABER: Your request is noted.

18 Q. BY MS. RUTHERFORD: -- "Monthly budget versus
19 actual reports."

20 A. Uh-huh. 10:28:41

21 Q. So every month you -- you do a -- you show
22 the budget over the actuals?

23 A. Only for engineering Android.

24 Q. Only for engineering Android?

25 A. Uh-huh. 10:28:55

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1 Q. So that would not include other operating
2 expenses; is that correct?

3 A. That would only include engineering expenses.

4 Q. Okay. And then there's a -- seems to be a
5 bucket in the last bullet point that says, "Other finance 10:29:10
6 reports and links."

7 A. Uh-huh.

8 Q. Could you explain what would be included in
9 those "Other Finance Reports" category?

10 A. An example would be the section on Android 10:29:20
11 Market that you see as part of that page.

12 Q. What is included in Android Market?

13 A. Sales of paid applications on Android Market.

14 Q. And how do you break down those sales -- or
15 how do you report those sales? 10:29:53

16 A. We just look at the sales of paid
17 applications on Android Market and look at just -- we can
18 only look at the share that we get.

19 Q. You -- what do you mean by you can only look
20 at the share that you get? 10:30:10

21 A. Because we only get to keep -- we only get to
22 account for the share that we get on paid applications
23 off of Android Market. We don't get to keep anything
24 that we give away to developers and/or other partners.

25 Q. So just to be clear, what you just said was 10:30:34

1 if I looked on the Android Market section of the Android
2 finance website, what I would find is the share of the
3 application revenue that Android keeps and no other
4 information?

5 A. No. You will find other information. But 10:30:53
6 the most relevant metric that we look at as part of those
7 dashboards is Google's share from sales of paid
8 applications on Android Market.

9 Q. What other information would I see on that --
10 on the Android Market accounting? 10:31:15

11 A. Android Market accounting?

12 Q. On the Android Market financing dashboard.

13 A. You will also look -- you'll also -- you will
14 also be able to get information on the number of paid
15 transactions in a given time period. I don't recall what 10:31:32
16 else.

17 Q. Could you tell me what "number of paid
18 transactions" means?

19 A. Number of transaction from a paid -- of paid
20 applications on Android Market. 10:31:56

21 Q. I believe you said earlier that Google makes
22 forecasts or projections for the Android business
23 quarterly; is that correct?

24 A. We do forecasts for Android quarterly.

25 Q. How accurate have those calculations been? 10:32:19

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1 A. I haven't looked at and done analysis on
2 those -- done analysis on those projections as to how
3 accurate they have been.

4 Q. Do you know whether Ms. Dalton has done
5 analysis on the accuracy of those forecasts? 10:32:36

6 A. No, I don't believe so.

7 Q. Who is responsible for generating those
8 forecasts?

9 A. We are. And we also work with a central team
10 who typically depends on our inputs to generate those 10:32:52
11 projections.

12 Q. When you say "we are responsible for
13 generating the forecasts," are you referring to you and
14 Ms. Dalton?

15 A. Yes. 10:33:04

16 Q. And when you refer to the "central team," who
17 are you referring to?

18 A. I'm referring to a team under one of our
19 finance directors. They're the ones who are responsible
20 to give us these P&Ls on a quarterly basis. And then 10:33:19
21 they depend on us to give them insights into the business
22 and question -- if we have questions on any of these
23 numbers, we go to them. But they're the ones who use a
24 consistent methodology to generate P&L on a quarterly
25 basis. 10:33:41

1 Q. Who is on the central team?

2 A. We usually work with a person named
3 Danielle Romain.

4 Q. Could you spell the last name for the court
5 reporter, please?

10:33:59

6 A. R-o-m-a-i-n.

7 Q. And you said that the central team that
8 includes Mr. Romain --

9 A. Sorry. Correction, Ms. Romain.

10 Q. Oh, Miss Romain. Sorry.

10:34:11

11 -- uses a consistent methodology to generate
12 the profit and loss statement. Can you explain what that
13 methodology is?

14 A. Actually, I -- I don't know what the
15 methodology is. They use a way of allocating engineering
16 expenses, for example, sales expenses, for example, to
17 Android. And then we get that information from her.

10:34:28

18 Q. Is this methodology consistent across Google,
19 Inc.?

20 A. I only see Android's portion. So I don't
21 know if -- I will not be able to comment on the other
22 areas.

10:34:48

23 Q. When you say it's a consistent methodology,
24 do you mean consistently used in the business of Android?

25 A. Consistently used for Android P&L.

10:34:59

1 Q. -- they seem to mostly align for the quarters
2 that are there --

3 A. Uh-huh.

4 Q. -- with the exception of -- for the second
5 quarter of 2010, which is off by 1.1 million in the 11:50:17
6 search ad revenue, if you look at the two together.

7 MR. BABER: I'm sorry. What's the second one
8 you want to look at together?

9 MS. RUTHERFORD: Exhibit 20. The profit and
10 loss statement. 11:50:29

11 THE WITNESS: And which page are you looking
12 at?

13 Q. BY MS. RUTHERFORD: Q2. So that would be on
14 the second page of the profit and loss statement report.

15 A. Uh-huh. Uh-huh. 11:50:40

16 Q. The -- if you -- until then, if you look at
17 the two together, they largely align, with the exception
18 of how many decimal points they go out, until you get to
19 the second quarter of 2010, in which there's a little
20 over \$1 million difference in this search ad revenue. 11:50:59

21 Do you know what accounts for the difference
22 here?

23 A. Sure. These documents would be a different
24 point in time. This one that I'm looking at, Android
25 Earnings Report, is as of 15 July, time frame, as the 11:51:10

1 date says on this. This (indicating), I don't know what
2 the as-of date is. Probably a little more recent than
3 the earnings report. In which case -- in which case, Q2
4 2010 numbers of 13.68 millions of search ads revenues,
5 they could have been -- this could have been -- I don't 11:51:37
6 know if this Q2 2010 column here is a forecast. This,
7 for sure, is actuals. Like, 12 million in search ads
8 revenues for Q2 2010.

9 Q. Well, otherwise, they seem to align. It's
10 just that one line that's off. You don't know why that's 11:51:54
11 off?

12 A. Yeah. I don't know why that specific line
13 item is off. So it basically is a function of a snapshot
14 taken in point in time.

15 Q. Is there a delay in the reporting of ad 11:52:07
16 revenues -- search ad revenues that may account for the
17 difference?

18 A. I don't know.

19 Q. If I wanted to make sure I was looking at the
20 most accurate data, would I look at the profit and loss 11:52:22
21 statement as opposed to the earnings report?

22 A. You will look at the profit and loss
23 statement.

24 Q. Who receives the Android earnings reports?

25 A. Mostly Andy and some other members in his 11:52:33

1 management team.

2 Q. And when you say "Andy," you're referring to
3 Andy Rubin; correct?

4 A. That is right.

5 Q. Now, going back to Exhibit 22, which is the 11:52:51
6 Android Earnings Report, on the bottom it says, "Android
7 versus Apple trends as of the second quarter 2010."

8 A. Uh-huh.

9 Q. And then on the next page, it says,
10 "Percentage of total ad revenues." 11:53:02

11 Could you explain what it means by search
12 ads: Android 56 percent, Apple 67 percent?

13 A. So let me speak on behalf of -- for Android.
14 For Android, looking at total ads revenues and looking at
15 what percentage comes from search ads, that's 56 percent. 11:53:23

16 Q. So 56 percent of Android's search revenues
17 comes -- revenues come from search ads?

18 A. Fifty-six percent of total Android ads
19 revenues come from search ads.

20 Q. Okay. And so similarly, 67 percent of 11:53:45
21 Apple's search revenues comes from search ads?

22 A. Not search revenues, total revenues.

23 Q. Sorry. Total -- I apologize. That was my
24 misstatement.

25 Sixty-seven percent of Apple's total revenues 11:54:01